



GAO Technical Bulletin

Arizona Department of Administration ♦ General Accounting Office

Subject:	HRIS	Issued:	5/24/04
	<i>Valid Accounts for Direct Deposits</i>		
Manual Section(s):	III-C-4	Effective:	5/25/04
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TO: Technical Bulletin Administrators
Human Resources Personnel
Payroll Personnel
All Agencies

FROM: D. Clark Partridge
State Comptroller

AUTHORITY

A.R.S. § 41-703	Duties of the director
A.R.S. § 41-722	Powers and duties relating to finance
A.R.S. § 41-761	Personnel administration
A.R.S. § 41-763	Powers and duties of the director relating to personnel

DEFINITIONS

Form GAO-65: State of Arizona Authorization for a Direct Deposit of Net Pay or Payroll Deduction.

GAO: The Arizona Department of Administration, General Accounting Office.

He/him/his: For brevity and clarity, masculine singular pronouns are used throughout. Feminine or plural pronouns may be substituted, as appropriate.

HRIS: Human Resources Information Solution, the statewide automated human resources and payroll system in use by the State for regular payroll disbursements made on or after December 29, 2003.

HRMS: Human Resources Management System; the statewide automated human resources and payroll system in use by the State for regular payroll disbursements made before December 29, 2003.

Prenote: An electronic message transmitted to a designated account.

Prenotification: A process by which the existence of a certain account within a given bank is verified. This is accomplished by sending a prenote to an RDFI; if the prenote is not rejected by the RDFI, the designated account is known to exist.

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RDFI: Receiving depository financial institution; the bank or similar financial institution into which direct deposits may be made.

RTN: Routing transit number; a numerical code used to identify financial institutions to clearing houses.

PRELIMINARY NOTE

This technical bulletin is the first in what is likely to be a series dealing with issues related to the State's migration from HRMS to HRIS for accomplishing its statewide personnel and payroll processing. The reader is counseled, when making decisions with respect to the implementation of HRIS functions, to review all of the technical bulletins in this series as well as any guidance offered by HRIS Project personnel or his agency's personnel system.

INTRODUCTION

Under HRIS, certain operations that had, under HRMS, been performed exclusively by GAO's Central Payroll Unit, will now be performed by Agency payroll personnel, human resources personnel or, perhaps, by employees themselves. One of the operations now to be performed by Agency personnel rather than Central Payroll is the establishment of direct deposit accounts.

POLICY

- 1) The form (or forms) to be used in connection with direct deposits is the Form GAO-65, available from the GAO Website at www.gao.state.az.us.
- 2) Authorization to start, change or stop the direct deposit of an employee's compensation must be signed by the employee or his legal representative.
 - a) A legal representative is one legally recognized to make decisions on behalf of the employee. Such legal representatives would include, but not necessarily limited to, those holding powers of attorney or powers of appointment granting sufficient authority to act on an employee's behalf in financial matters of this type.
 - b) An employee's spouse is not his legal representative unless the spouse has power of attorney or powers of appointment granting sufficient authority, even if the account into which funds are to be deposited is jointly held.

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- 3) The employee must be a signatory on the account into which funds are to be deposited, a fact that must be confirmed by attaching one of the following to the Form GAO-65:
 - a) A pre-printed, voided check, drawn against the account under consideration, upon which the name of the employee is shown as owner, **or**
 - b) A letter from the financial institution into which the funds are to be deposited naming the employee as a signatory on the account.
 - 4) Prenotification is required for all direct deposit accounts to be newly established. Prenotification is accomplished by retaining the default selection of "Not Prenotified" in the *Prenotify Status* drop down on HRIS Onscreen Form XR12.1.
 - a) At the time the payroll is next run, a prenote will be sent to the designated bank account and the *Prenotify Status* drop down will be automatically changed to "Prenotified."
 - b) At the time the following payroll is run, if the prenote has not been rejected, the *Prenotify Status* drop down will be automatically changed to "Accepted" and the employee's direct deposit request will be honored.
 - c) If the prenote is rejected, the GAO will notify the payroll office of the agency for which the employee works.
 - 5) While they should establish new direct deposit accounts for employees, agency personnel should not establish new RDFIs.
 - a) If, when entering the RTN in the *Receiving DFI* field on the HRIS Online Form XR12.1, a name of a financial institution appears, the RDFI has been previously established and the employee's direct deposit request can be processed.
 - b) If, when entering the RTN in the *Receiving DFI* field on the HRIS Online Form XR12.1, a name of a financial institution does not appear, the RDFI has not been previously established and the employee's direct deposit request cannot be processed. GAO's Central Payroll Office must be contacted so that the RDFI can be established in HRIS.

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ON-LINE AVAILABILITY

Copies of all Technical Bulletins and many GAO Forms, including the Form GAO-65, are available on the General Accounting Office Website located at:

<http://www.gao.state.az.us>

AREAS IMPACTED

All State agencies.

CONTACTS

If you have any questions concerning this Technical Bulletin, please contact your GAO Liaison. You may also e-mail questions or comments concerning State policy and procedure to us at:

gaopolicy@ad.state.az.us